

FINANCE COMMITTEE POLICY
Fauquier County, Virginia

Policy Title:
Gain Sharing Program

Section No.
1

Effective Date
September 5, 2000

I. Purpose

The program is designed to maximize operational use of available funds with the intent for organizations and agencies to take actions which generate savings to be shared between the organization and the County Government. The distribution of savings will be equally divided between the organizations and the County Government.

II. Scope

This policy applies to all General County Government departments and agencies.

III. Forms

The attached form will be used for the submission and approval process of the Gain Sharing Program.

IV. Process

- A. Departments and agencies interested in entering the Gain Sharing Program will submit Gain Sharing Forms to the Budget Office for review December 1st each year.
- B. The savings projected must be measurable and not due to normal fluctuations in operations such as utilities or snow plowing costs from weather conditions such as a warm winter.
- C. A specific effort must be made to reduce a quantifiable level of expenses which does not have a negative effect on operations.

Examples:

- 1. Saving by restructuring training from contract training to in-house instruction.
 - 2. Lengthen hiring time. If the normal replacement period of staff replacement is 2 months and it is extended to 3 months the additional month is the Gain Sharing impact.
- D. Prior to December 15th the Budget Office will provide the Gain Sharing Forms with recommendations for implementation to the County Administrator for his consideration.

- E. Prior to January 1st departments and agencies will be notified of those initiatives approved for the Gain Sharing Program. The County Finance Committee, at its next regular session, will be provided a listing of the approved initiatives.
- F. Prior to June 30th the department or agency must identify the intended use of its half of the fiscal year's Gain Sharing proceeds.

G. Use of Gain Sharing Proceeds

- 1. Can be used for most one time requirements.
Example: equipment, conferences, training, consultants
 - 2. Cannot be used for bonuses or individual awards.
 - 3. Procurement procedures must be adhered to.
 - 4. Use of funds must be approved by the County Administrator.
 - 5. No other approval required for fund use.
- H. Prior to September 1st the Budget Office will verify the amount of Gain Sharing savings and notify the appropriate organization of the amount. In addition, supplemental appropriation information will be provided the Finance Department for its entry in the appropriate accounts. The Finance Department will complete this effort prior to October 1st.

V. **Reporting/Review**

The Budget Office will provide a summary analysis of the effectiveness of the Gain Sharing Program to the Finance Committee at their October meeting.

GAIN SHARING POLICY AND PROGRAM ACTION FORM

DEPARTMENT: Self Explanatory FY _____

INITIATIVE: A specific description of the organization's Gain Sharing initiative.

METHODOLOGY OF COST SAVING: A breakdown of how the savings will occur.

Example: Current budget includes contract training for 10 employees on software program at \$500 each = \$5,000.

Projected Gaining Initiative 5 employees at \$500 each = \$2,500 Gain
Sharing Department Savings $\$2,500 \times 50\% = \$1,250$.

APPROVED FOR IMPLEMENTATION: _____
County Administrator

VERIFICATION OF SAVINGS: _____
Budget Office

USE OF SAVINGS: Identified by Department including budget object code. This section must be completed prior to the end of the fiscal year.

Example: From 3-100-419000-10(fund balance) to 4-100-XXXXXX-8100 \$1,250.00

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APPROVAL OF FUND USE: _____
County Administrator

FUND TRANSFER COMPLETED: _____
Finance Department